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Sustainable development

Social development

Letter dated 1 March 2011 from the Permanent Representative of Uzbekistan to the United Nations addressed to the Secretary-General

I have the honour to convey to you the information on social and economic development in Uzbekistan (see annex).

It would be highly appreciated if you could have the present letter and its annex circulated as a document of the General Assembly under agenda items 20 and 27.

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Annex to the letter dated 1 March 2011 from the Permanent Representative of Uzbekistan to the United Nations addressed to the Secretary-General

[Original: Russian]

Information on social and economic development in the Republic of Uzbekistan

I. The stable, balanced development of the economy and society as well as sustainable, high levels of economic growth were achieved in 2010 by implementing the most important national socio-economic development priorities for that year, which were identified by the President of the Republic of Uzbekistan, Mr. Islam Karimov, at a Government meeting held on 29 January 2010. These priorities included a programme of anti-crisis measures to prevent and neutralize the consequences of the global financial and economic crisis and the adoption of comprehensive programmes.

Economic growth was 8.5 per cent in 2010. Gross domestic product (GDP) in terms of purchasing power parity was $92.3 billion, compared with $81.1 billion in 2009.

Furthermore, high growth rates were achieved in all main sectors of the economy: industrial production increased by 8.3 per cent; agricultural production by 6.8 per cent; retail sales grew by 14.7 per cent; and remunerated services by 13.4 per cent. The State budget was implemented with a surplus equivalent to 0.3 per cent of GDP. Inflation stood at 7.3 per cent and did not exceed projections.

In 2010, investment in Uzbekistan was 13.6 per cent greater than in 2009, totalling $9.7 billion (25 per cent of GDP). Approximately 72 per cent of investment was in construction, including 38 per cent for the purchase of equipment and advanced technologies. Foreign investment and credit accounted for 28.8 per cent of all capital expenditure, and direct foreign investment exceeded $2.4 billion.

Measures to support domestic exporters, to diversify exports and to develop new external markets helped to increase exports by 10.8 per cent and to achieve a positive balance of foreign trade estimated to be above $4.2 billion.

As a result of the steps taken to expand and increase the localization of production, 17.5 per cent of all exports were localized goods.

In 2010, owing to localized production, import substitution was estimated to total $3.7 billion or 1.3 times more than the figure in 2009 ($2.9 billion).

Income levels and structures and public welfare are undergoing major qualitative changes. In 2010, public sector wages, pensions, social benefits and scholarships rose by 32 per cent, with real income increasing by 23.5 per cent.

II. Presidential Decree No. PP-1442 of 15 December 2010, entitled "Priorities for the development of industry in the Republic of Uzbekistan for the period 2011 to 2015", was adopted to ensure the sustainable, dynamic and balanced development of industry in the country and to deepen structural reforms aimed at diversifying its main industries, increasing export potential and further enhancing the efficiency and competitiveness of industries, complexes and enterprises through

their modernization and the technical and technological upgrading of production. This programme provides for the implementation of more than 500 projects at a cost of approximately $50 billion.

Furthermore, Presidential Decree No. PP-1446 of 21 December 2010, entitled "Accelerating the development of infrastructure, transport and communications systems for the period 2011 to 2015", was adopted to ensure the swift development of production, transport and communications infrastructure in close coordination with programmes for the long-term development of the national economy and territory and, on that basis, to create new jobs, increase employment and steadily improve living standards.

A programme of measures is being implemented to deepen and widen economic reform in Uzbekistan for the period 2011 to 2015, as well as measures to improve the business environment in the country. Their purpose is to further liberalize and accelerate the transition to a free market economy, to foster a positive business environment and to introduce a globally accepted system of criteria for assessing the development of these processes in industrial and economic sectors and within the national economy as a whole.

III. The following have been identified as the major priorities for the 2011 socio-economic development programme of Uzbekistan:

The continuation of structural adjustment policies and the swift development of high-technology industries and products, aimed at enhancing competitiveness and strengthening the position of Uzbekistan in global markets;

Modernization, technical and technological upgrading of production and the accelerated reform of leading sectors of the economy, with particular attention paid to the modernization and technical and technological upgrading of agriculture;

The attraction of wide-scale foreign investment and the establishment of more favourable conditions for foreign investors;

The comprehensive and accelerated development of infrastructure, transport and communications systems;

The continued prioritization of social development, primarily upgrading and equipping educational and health-care facilities;

The fast growth of small businesses and private entrepreneurship, and the establishment of the best possible business environment; and,

Sustainable solutions to promote employment and create new jobs.